



Health plan targets the needy

The HMO-style program is a partnership between Blue Cross & Blue Shield of Rhode Island and Neighborhood Health Plan of Rhode Island.

Thursday, November 17, 2005

BY FELICE J. FREYER
Journal Medical Writer

Just as the confusion over the new Medicare Part D drug benefit is reaching a fever pitch, a new option has entered the market. But it's an option that might end up easing the confusion for beneficiaries with low incomes.

Yesterday, Blue Cross & Blue Shield of Rhode Island and Neighborhood Health Plan of Rhode Island announced that they have joined forces to offer an HMO-style plan for people who are eligible for both Medicaid and Medicare.

The new plan, called Blue CHiP for Medicare Optima, would roll together all the person's health care into a single plan overseeing medical care as well as the new Part D drug benefit. Such a plan could be advantageous to low-income patients with many health-care needs, because it promises to help them navigate the system. The plan also offers benefits beyond what Medicare and Medicaid pay for, such as dental, hearing and vision care.

UnitedHealthcare of New England is also offering a similar plan, called Evercare.

Optima represents an unprecedented collaboration between Blue Cross, the state's largest insurer, and Neighborhood, which serves only Medicaid recipients. They teamed up because Neighborhood doesn't have a Medicare license, and Blue Cross doesn't have as much experience as Neighborhood at coordinating the care of people with complicated health needs.

In Rhode Island, about 30,000 people are covered by both Medicare, the federal health plan for the elderly, and Medicaid, the health plan for the poor run by the states and the federal government. They're called "dually eligible" and include about 18,000 people who are elderly and poor, and roughly 10,000 who are disabled, younger than 65, and poor.

Medicaid covers prescription drugs, and that's the main reason why people who qualify for Medicare coverage have also wanted Medicaid. But now, for the first time, Medicare is offering a drug benefit that starts Jan. 1. As a result, all dually eligible must be switched to a Medicare drug plan.

Under federal rules, all the dually eligible will automatically be enrolled in a stand-alone Part D plan, a plan that offers only drug coverage. But this group of people is permitted

to change plans at any time.

That includes changing to what is known as a Medicare Advantage Special Needs Plan, an HMO handling both medical and pharmaceutical care. In Rhode Island, the available special-needs plans are the newly formed Optima and United's Evercare.

"The Part D benefit is built in," said Richard Segan, executive director of Evercare. "This is one of the beauties of the program. It overcomes all the confusion that exists in terms of selecting a Part D plan."

Even with a special-needs plan, however, beneficiaries will still be required to pay \$3 or \$5 when they pick up a prescription. Now there are no such copays for people on Medicaid.

John R. Young, state Medicaid director, says he's been worried about the ability of dual eligibles to make the transition to Medicare Part D, particularly those who are chronically mentally ill or developmentally disabled. But he sees the potential for help in these special-needs plans, which consider the whole person.

"If you have an opportunity to make a choice, you're better off in a comprehensive plan that has a stake in your treatment outcome than a plan that only has an interest in pharmacy," he said.

For example, Young said, the Medicaid program will sometimes spend money on drugs to prevent hospitalizations, which would cost the state more. But a company concerned with only pharmacy costs wouldn't have that incentive.

"Philosophically and logistically, it's a better deal for the consumer," Young said.